



HR WHICH LEAD TO CHALLENGES AND OPPORTUNITIES IN 2020

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ABSTRACT

Today, the field of Human Resource Management (HR) is experiencing numerous pressures for change. Shifts in the economy, globalization, domestic diversity, and technology have created new demands for organizations, and propelled the field in some completely new directions. However, we believe that these challenges also create numerous opportunities for HR and organizations as a whole. Thus, the primary purpose of this article is to examine some of the challenges and opportunities that would influence the future human resource consulting.

KEY WORDS: Global management strategy, changing worker profile, HR consultants, Outsourcing.

INTRODUCTION:

HR CONSULTING: HR consulting is a HR-related expert, professional advice which is provided to an organization, function, team, or individual in order to build internal capacity and facilitate organizational success

The human resource consulting industry has emerged from management consulting and addresses human resource management tasks and decisions. HR Consultants are responsible for assisting clients with strategically integrating effective HR processes, programs and practices into their daily operations. Their role is also to maximize the client's performance related to human resources by introducing or marketing "best practice" products or services as well as to provide periodic feedback to clients regarding their performance related to annual management objectives.

To accomplish this, the HR Consultant may need to perform needs assessments or audits and make recommendations or proposals, coordinate the creation and implementation of an action or corrective plan, and when required, organize and coordinate cross-functional Human Resource teams to assist the client with developing and implementing performance improvement corrective plans, programs or processes.

TOP FIVE USES OF HUMAN RESOURCE CONSULTING:

Companies can grow fast, especially if they're well managed and offer great services or products. For most very small businesses, human resource consulting may never enter the playing field. But once that you eclipse a certain point in both company size and profit margin, human resource consulting suddenly seems like an attractive option. While the decision to utilize human resource consulting will vary from company to company, there are definite benefits to using a consulting firm. From the obvious to the obscure, there are plenty of uses for human resource consulting. Here are five of the main ones, in no particular order.

1. **Outsourcing** – A great number of human resource consulting firms offer numerous outsourcing solutions to companies that need them. From basic payroll outsourcing to more advanced measures like benefits administration, letting human resource consulting firms handle some HR tasks can save you money and boost the performance of your own HR department. And when you outsource to a human resource consulting firm, you'll eliminate much of the penalties associated with errors in HR since the human resource consulting firm will be responsible for most of them.
2. **Health and Benefits** – Setting up employee benefits is difficult and time consuming. In fact, in major companies a human resource specialist could be assigned to nothing but benefits administration. Human resource consulting groups can simplify most health and benefits administration for you, primarily during the initial set up period. A human resource consulting group can contact insurance or benefit providers, help narrow down your options, and provide you with a detailed look at the various packages that fit your needs and your budget. The human resource consulting group will handle the heavy lifting while your HR department focuses on your company's operation.
3. **HR Tech Implementation** – Setting up human resources technology for your company is another big part of what human resource consulting groups do. The human resource consulting group will provide you with the technology, help set it up, and then train your employees on how to use it. If needed, they'll help maintain it as well. If you're ready to seriously upgrade your company, human resource consulting groups will help with this step.

4. **Human Capital Management** – Human resource consulting firms can also help with human capital by implementing employee rewards programs and by improving your company's talent acquisition process as well as employee management. If you need the best new hires and want help keeping them on your team, this method of human resource consulting could be the solution that you're looking for.

5. **Business Communications** – You might also need to hire a human resource consulting firm to help assess your employees' attitudes. From studying employee satisfaction, happiness, behaviors, and more, human resource consulting firms can help you find out what your workers are happy with, what they desire, and what they dislike.

Services may also include legal counseling, global initiatives, investments consulting, and the implementation of HR technologies to facilitate human capital management. The HR consulting industry also employs more actuaries than any other in order to assist in their services.

What Does a Human Resources Consultant do?

Human resources departments are responsible for maintaining solid communication between employees and administration. From regulating federal guidelines on discrimination to hiring and terminating employees, human resources professionals perform a variety of tasks related to maintaining this line of communication. Like other jobs, human resources are not restricted to one level or tier; human resources managers oversee HR departments and provide further administrative support to higher management professionals. Likewise, a human resources consultant holds a position of authority among other HR professionals and acts in a supervisory role with a wide range of responsibilities.

For entrepreneurs starting a new business, hiring an HR consultant during the planning stage can help them get off on the right foot by working human resources into their business plan from the very beginning. When they're doing their business planning, they really need to have a strategic focus on their people. It's about being proactive, not waiting until they have issues before they decide they need HR support.

If we're hiring a HR consultant, we want to make sure their values align with ours, and that they have the expertise to handle the issues our business is facing. It's essential to make sure the HR professional or firm chosen will be a good fit for the organization over the long term. If it is a small or medium business, it doesn't necessarily need too much support right away, but the support needed grows as the business grows. That means hiring a consultant who understands the needs of larger organizations, even if it only has a few employees right now. Hiring a consulting firm can be a good way to handle this, since a larger team will have more areas of expertise and have to risk that your independent consultant will be hired away as someone else's director of HR.

FUTURE OPPORTUNITIES AND CHALLENGES:

HR consultancies are in the light of sunrise, but are they up-bred by an organization's whims and fancies, or the result of a trend, or are it really the need of the hour. "What will be the "real" HR consulting challenges in the coming years?"

➤ ADAPTING TO A RAPIDLY CHANGING WORKER PROFILE:

Challenges: Sweeping demographic changes across both the developed and developing world will place greater pressure on both the government and private sector to initiate and implement creative solutions to educate, integrate and retain a rapidly changing and diverse working population.

With hundreds of millions of women predicted to pour into the global workforce in the coming years, and temporary and part-time workers a significant and seemingly permanent fixture, companies need to adapt further to a new breed of employee. When you add the issues of a multi-generational workforce and growing cultural diversity, it is no surprise that people management is cited to be by far the most substantial challenge facing companies over the next five to ten years, according to a 2013 survey of 636 C-level and senior executives by The Economist Intelligence Unit, sponsored by the SHRM Foundation.

Preparing the world's youth for the workplace will certainly future challenges. In countries with high youth unemployment rates, there are increased concerns that many young people will leave the workforce permanently, producing a lost generation. Meanwhile, the skills and education of the millennials who remain in the workforce must always be relevant and attractive to employers.

Opportunities: Companies will need to manage the successful transfer of experience and knowledge to younger generations at the outset of their careers. If demand continues to outstrip supply for certain positions, companies will also need to rethink how to hire junior workers into positions requiring more tenure and experience, and determine what additional training will be necessary.

HR consultants will have to meet women's demands for equal pay and promotions in addition to customized benefits and perks like daycare, flexible hours, maternity leave and child healthcare. With employee benefits, one size does not fit all. The incentive systems of the past no longer satisfy all employees, especially with the labor force expanding to include a more varied and international

➤ UNDERSTANDING THE SUBTLETIES OF WORKERS' QUALIFICATIONS:

Challenges: As the definition of work continues to evolve, the range of skills that employees need have not necessarily been provided by traditional educational systems. In the 2013 EIU/SHRM Foundation survey, executives reported that the current disconnect between the skills fostered by education and those they actually need will represent a very considerable obstacle in the coming years

This makes it difficult for HR consultants to assess applicants' qualifications properly. To complicate matters further, there is lack of standardization in education, especially in a global context. As businesses expand and hire beyond borders, the need for HR consultants to scrutinize job qualifications carefully becomes ever more important. Major disparities exist between various regions and institutions in individual countries, as well as between countries.

Opportunities: The ability to understand these differences will enable HR consultants to make more informed hiring decisions. Through collaboration with other functions of the organization, HR consultants can increase its understanding of qualifications and skill sets to ensure that hired employees are capable of executing their functions. Indeed, they may explore potential partnerships with universities to provide technical and vocational-skills training, or continuous education opportunities. One Indian-based education and training company, Global Talent Track, has been based on this principle of collaboration between various stakeholders. It is funded by Intel Capital, Helion Ventures and Cisco Systems, with its founders emanating from industry, academia and technology. By 2016, it seeks to equip 500,000 aspiring students with the vocational skills that they will need in the workplace.⁷³ Another example in India is the public-private partnership (PPP), The National Skills Development Corporation, which promotes skill development by catalyzing the creation of large, high-quality, for-profit vocational institutions. These types of initiatives give rise to the broader policy question: Who should bear the burden of educational investment in workforce-skills development—individuals themselves, corporations or governments? HR consultants must cope up with these changes to serve better.

➤ RETAINING AND ENGAGING A CHANGING WORKFORCE:

Challenges: Much of the workforce is not engaged in their work. According to Gallup's latest 142-country study on the global workforce, only 13 percent of workers worldwide are "engaged," meaning that they are psychologically committed to their jobs. The bulk of the working population—63 percent—are "not engaged," indicating that they lack motivation. A substantial minority—24 percent—are "actively disengaged," unhappy and unproductive and liable to spread negative attitudes to co-workers.⁷⁶

Generation Y, as they are commonly known, are reputed to have low organizational loyalty and are eager to make an impact. Even if these younger, skilled workers are committed, retaining them is a major challenge and HR consultants will have to explore varied retention techniques, adapted to the preferences of the relevant individual.

Motivational strategies for younger workers are particularly necessary in regions of the world where there is intense competition for candidates with the right skills. With multinational companies expanding, local companies multiplying and the number of 15- 24-year-olds entering the labor force expected to fall by almost 30 percent during this decade. China is likely to be an exceptionally harsh battleground.

McKinsey study reported that senior managers working for the China divisions

of multinational firms switch companies at a rate of 30 to 40 percent a year—five times the global average. Keeping salary costs down to a commercially acceptable level will be a challenge.

Opportunities: As the demographic composition of the workforce changes, their motivations and expectations evolve too. It is imperative that HR consultants can better understand what is most valued by these workers. Is it compensation, or prestige, or perhaps autonomy at work?

In many cases, HR consultants will have to adapt their incentives, benefits policies, and retention strategies for workers that are not just driven by financial compensation. It is not enough simply to recruit able staff. They have to make sure that the employees are committed, productive, and do not leave after a short period, incurring substantial turnover costs and wasting all previous training invested in them. Generation Y, as they are commonly known, are reputed to have low organizational loyalty and are eager to make an impact. Even if these younger, skilled workers are committed, retaining them is a major challenge and HR consultants will have to explore varied retention techniques, adapted to the preferences of the relevant individual.

➤ ALIGNING TECHNOLOGY BEST PRACTICES TO GLOBAL MANAGEMENT STRATEGY:

Challenges: In the last 20 years, new communication technology, such as email, mobile phones and web and videoconferencing has not only facilitated closer contact with clients in distant lands, it has allowed multinational companies to form cross-border teams, where colleagues can communicate with each other constantly, despite not being located in the same place. In short, technology has enabled the international expansion that companies seek.

Opportunities: Technology's evolving role in redefining what work means will require firms to come up with new and innovative strategies to manage their increasingly mobile workforce. These strategies will need to help mobile workers remain engaged and connected to the wider organization they serve. An improved ICT infrastructure and increased usage in developing nations will certainly continue to expand the availability of local talent for recruiters and HR consultants. HR consultants will need to engage with local governments, universities, community colleges and vocational schools to offer ongoing training for all existing and new employees as technologies change.

➤ MANAGING THE RISKS OF A GLOBAL OPERATION

Challenges: Despite their clear benefits and growing importance, managing remote, cross-border teams presents management challenges that the corporate world is still learning to tackle. A 2009 Economist Intelligence Unit executive survey reported that one-third of virtual teams are thought to be badly managed.

There are some obvious practical obstacles in running a virtual team. For example, all the members must feel comfortable using all the various communication technologies. Time differences can also complicate organization and coordination.

Human interaction may be less smooth without face-to-face communication. Natural social bonds are more difficult to develop when people only meet virtually. This makes building an environment of trust and cooperation more problematic, resulting in regular misunderstandings. When disagreements do arise, the less frequent contact makes them harder to resolve.

Opportunities: HR consultants will need to become better integrated into their firm's overall risk-management and business-continuity planning. Specifically, it will have to be more involved in assessing, and preparing for, disruptive events, such as natural disasters, IT-system or operations outages, and interruptions to increasingly global and complex supply chains. With regard to supply chains, HR consultants will have to be more attuned to corporate social-responsibility practices.

As the number of global suppliers and subcontractors increases along both the production and distribution chain, HR consultants will need to understand and anticipate the types of risks (such as use of child labor, toxic or substandard components, bribery or other illegal business practices) that could have a negative impact on the firm's brand and company image.

HR consultants will also have to be equipped with the right business intelligence to conduct cultural, organizational and legal due diligence when going through the acquisition process. Currently, there is no standard HR playbook or HR Sarbanes-Oxley to oversee the integration process. Instead, different country rules in respect of pensions, benefits and severance make it very challenging for HR consultants to stay abreast of the latest laws and regulations. This means that HR leaders will need to expand their knowledge base and shift from being nationally focused to a more global perspective.

HR consultants will have to get up to speed quickly on human-capital issues in these potential markets. However, given insufficient knowledge about labor markets in developing countries, HR consultants cannot always make informed decisions.

➤ **HIRING AND RETAINING TALENT WHILE LOWERING LABOR COSTS**

Challenges: Companies may often prefer to have flexible arrangements with employees and avoid costly employee benefits by hiring non-traditional workers. However, developing and engaging the legions of part-time, temporary and freelance workers at all levels of the company is a growing issue for companies. As we have seen, many part-time staff, and most temporary staff, would rather be working on a more long-term footing. To complicate matters, as a recent paper by Cappelli and Keller discusses, temporary workers often find themselves in “triangular arrangements,” where it is unclear whether their organizational loyalties lie with temporary agencies or the hiring organization.

Opportunities: HR consultants will find it difficult to reward high-performing part-time and flexible workers, and will have to explore methods to offer benefits or incentives to retain them in the pipeline for future work. Given that such contracts often specify work outcome, rather than the process itself, there is less ongoing engagement between a manager and contractor.

➤ **WINNING THE WAR FOR TALENT**

Challenges: People migration, both cross-border and within countries, adds another layer of complexity to the labor market. Governments play a big role in determining and controlling that flow of labor. However, as organizations continue to expand globally and face skills shortages locally, many require a more mobile workforce. Therefore, organizations and governments alike will seek to understand and gather data on how migration patterns are affecting the composition of the labor market, and how educational attainments and skill sets are shifting. As businesses expand to countries with more politically unstable environments or with higher levels of risk, businesses may find it difficult to find employees who are willing to move to these locations. The proper security measures must be in place

Opportunities: To incentivize employees to work overseas, HR consultants need to redefine mobility strategies and meet deployment demands, including access to schooling and medical facilities, and comparable standards of living to those experienced in their home country. Research shows that the inability of an expat's family to acclimatize to a new environment is the most frequent cause of the failure of an employee assignment abroad. Companies will need to provide imaginative support to spouses and children, as well as their employees, if they are serious about global mobility.

CONCLUSION:

The HR industry has witnessed a tremendous growth, and is currently a booming \$18.4 Billion industry. HR consultancies have evolved the classic ‘Personal administration’ function to one that enables business growth through planned talent acquisition, development and retention. These consultancies link with an organization's service excellence teams in driving projects that help continuous process improvement with tangible benefits. When multi-nationals started their setup in India, they realized that the tedious work like pay-rolls, recruitment, and performance records, etc., were taking a lot of time, due to which organizations were unable to devote the time with other strategic aspects of the functions. They wanted to have experienced people for that, and in lieu of not spending extra time and money on that, they thought why not to outsource it to someone who has everything for the purpose right from experienced and skilled workforce to established systems for the same.

Further, incidents like frauds happening in BPO sector, and corporate getting aware of the need to have a background check of each recruited person aggravated the need to have someone for this work. This grew up and became one of the important activities in IT and ITES sector too, to hire consultants for the peripheral work of the organization, so as not to lose track of the main business concerned. Consequently, it became necessary for any organization, even Indian companies which became aware of the results of the MNC's engaging consultants, to hire one that can, with the expertise area concerned, can guide the organization to be more productive, and rather to have a cutting edge advantage in the fast moving and ever-going competitive world.

Now such need of the consultants gave further scope of growth, and consultancy started spreading its wings in the other services like performance management, campus recruitment, Change management, organization Restructuring, and almost every aspect of HR functioning. HR management consultancies have a preponderance of professional people who may be deficient in the management know-how in the HR domain. They not only are superb strategy makers but also armed with legal aspects of human resource management.

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